

City of San Diego
Office of the Independent Budget Analyst

MONTHLY SNAPSHOT OF REPORTS AND ACTIVITIES

Highlights of Major Reports Issued in the Month of November:

[Report No. 09-89](#) “Delegation to the Housing Commission of Authority to Award Certain Contracts”

On November 23rd, 2009, the City Council considered the actions recommended in the report “City Council Delegation to the Housing Commission of Authority to Award Certain Contracts.” This action, requested in response to recommendations issued by the Office of the City Auditor in the performance Audit of the San Diego Housing Commission (SDHC), recommended that the City Council delegate authority to SDHC for the award of maintenance, modernization and improvement related contracts. This IBA report provided the Council with additional background information regarding this action.

Among the audit results presented in the report, the City Auditor found that there were “excessive time delays” between Housing Commission and Housing Authority approvals. Therefore, the Housing Commission requested that the City Council delegate to the Commission authority to award these type of contracts, which are considered “more routine in nature.” This action would essentially eliminate the \$250,000 threshold currently in place, delegating to the SDHC Board full authority to award such contracts with no dollar amount.

The IBA expressed concern that the delegation of authority did not have a dollar amount limit. It was recommended that either the delegation of authority be subject to a dollar limit of \$1 million, or that the Housing Commission annual budget include line-item detail of the dollar amounts budgeted for these types of contracts. Either option would still provide the Housing Commission significant flexibility in awarding contracts, while clearly defining a dollar limit on the delegation of authority.

[Report No. 09-88](#) “FY 2010 First Quarter Budget Monitoring Report”

On November 17, 2009, the Financial Management Department issued the Fiscal Year 2010 First Quarter Budget Monitoring Report, which presents projections of year-end revenues and expenditures, based on actual data for the first three months of the fiscal year (through September 30, 2009). The IBA reviewed the FY 2010 First Quarter Budget Monitoring Report, comparing information to the Comptroller’s recent Financial Performance Report, and the Mayor’s updated Five-Year Financial Outlook. No budget adjustments are recommended as part of the FY 2010 First Quarter Budget Monitoring Report, primarily because the net projected budgetary deficit of \$7.5 million for FY 2010 is not considered to be significant this early in the year. Changes to projections will occur throughout the fiscal year.

Reports Highlighted for the Month of **November** **2009:**

[Report No. 09-89](#) (11/20/09)

Delegation to the Housing Commission of Authority to Award Certain Contracts

[Report No. 09-88](#) (11/19/09)

FY 2010 First Quarter Budget Monitoring Report

[Report No. 09-86](#) (11/13/09)

[Attachment 1](#) (4/17/09)

[Attachment 2](#) (11/13/09)

Response to Audit Regarding City Attorney Salary and Leave Issues

[Report No. 09-84](#) (11/3/09)

[Attachment](#) (11/3/09)

Comparative Compensation Analysis for the Position of City Auditor

This report highlights the changes to procedures related to prior year encumbrances, and raises questions regarding the City's Allocated Reserve. It also describes possible impacts to the revenue projections contained in the Five-Year Outlook based on the revised revenue estimates included in the First Quarter Monitoring Report.

Report No. 09-86, Attachment 1, Attachment 2 “Response to Audit Regarding City Attorney Salary and Leave Issues”

On April 17, 2009, the Office of the City Auditor issued the Audit of Accounts of Michael Aguirre, Former City Attorney, in accordance with Article VII, Section 111 of the City Charter. The close-out audit is provided as Attachment 1 to this report. In summary, the audit revealed that the City Attorney is the only elected City official that receives Annual Leave benefits, and found that the process used to set the City Attorney's salary is not fully in compliance with City Charter Section 40 and Section 7 of the City's Salary Ordinance.

In response to the audit, the IBA agreed to work with the City Council to review these issues, and recommend corrective actions and improved procedures to ensure appropriateness and compliance with the law. This report describes these findings of the audit, and the IBA's recommended course of action for consideration by the Rules Committee and the City Council.

Report No. 09-84 , Attachment “Comparative Compensation Analysis for the Position of City Auditor”

On June 15, 2009, the Audit Committee adopted a motion forwarding the FY 2010 City Auditor compensation memorandum with proposed amendments to the City Council for approval. The Audit Committee further directed the Independent Budget Analyst to conduct a comparison of city auditor compensation prior to the November 9th meeting where the City Auditor's performance would be evaluated. City Charter Section 39.1 requires the Audit Committee to conduct an annual performance review of the City Auditor and recommend his annual compensation to the City Council. The IBA has reviewed auditor compensation and auditor operations at other large cities and counties within California, as well as comparably sized cities outside of California. The results of our comparison are presented in the Attachment to this report. Other factors which can be considered in assessing auditor compensation are also briefly raised in this report for consideration.

Upcoming Dates:

Friday, December 4

Release of IBA report #09-90, “IBA Review of the Mayor's Proposed FY 2010/ FY 2011 Budget Solutions”

Tuesday, December 8

IBA Presentation of Report # 09-90 at City Council

San Diego Speaks, 6pm at Joe and Vi Jacobs Center

Wednesday, December 9

First Public Hearing for amendment to AO—City Council review of proposed budget reductions

Monday, December 14

Second Public Hearing for amendment to AO—City Council introduction and adoption of proposed budget reductions

The IBA has updated our “Citizen's Guide to the City's Budget Process.” Please visit our lobby or website at www.sandiego.gov/iba for the latest version.